

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
ATHENS DIVISION

TONY D. TOWNLEY and)	
ELIZABETH A. TOWNLEY,)	Case No. 3:22-cv-00107-CDL
)	
Plaintiffs and)	
Counterclaim defendants,)	
)	
v.)	
)	
UNITED STATES OF AMERICA,)	
)	
Defendant and)	
Counterclaimant.)	
_____)	

JOINT STATUS REPORT

In accordance with the Court's order (ECF No. 192), the parties file this joint status report and state as follows:

1. On July 24, 2024, the parties informed the Court that they had reached an agreement in principle to resolve this matter and requested that the case be removed from the trial calendar. (ECF No. 190). In the motion, the parties reported that the agreement in principle was supported by the Department of Justice, Tax Division, and the IRS, but that further review was required by the Joint Committee on Taxation. (ECF No. 190 at 1–3).
2. On July 25, 2024, the Court granted the motion and removed the case from the trial calendar. (ECF No. 191).
3. On July 31, 2024, the Joint Committee on Taxation confirmed that its staff found no reason to offer any adverse criticism to the proposed refund.
4. Accordingly, on August 1, 2024, the Tax Division formally accepted the Townleys' offer, finalizing a binding settlement agreement.

5. Pursuant to the terms of the settlement agreement, the parties agree that the Townleys will be refunded specified income tax overpayments with interest as provided by law and the parties will stipulate to dismissal with prejudice of the claims in this action.

6. The IRS has been diligently working to calculate and process the agreed refund.

7. In November, the IRS issued three refund checks (one for each tax year at issue). However, upon receipt by the Department of Justice, it was determined that the checks were not calculated and issued in accordance with the settlement agreement.

8. Accordingly, the Department of Justice returned the checks to the IRS with instructions to fix the calculation errors and issue correct refund checks.

9. The United States anticipates that this process may require some additional time, particularly with the holidays, but is optimistic that correct refund checks will be issued in January at the latest.

10. The parties intend to file a joint stipulation of dismissal with prejudice once correct refund checks have been provided to the Townleys.

By: /s/ David D. Aughtry
DAVID D. AUGHTRY
Georgia Bar No. 028010

By: /s/ Jasen D. Hanson
JASEN D. HANSON
Georgia Bar No. 638564

CHAMBERLAIN, HRDLICKA
WHITE, WILLIAMS, & AUGHTRY
191 Peachtree Street, N.E.
Forty-Sixth Floor
Atlanta, GA 30303
Telephone: (404) 659-1410
Facsimile: (404) 659-1852
david.aughtry@chamberlainlaw.com
jasen.hanson@chamberlainlaw.com

Counsel for Plaintiffs

Date: December 5, 2024

David A. Hubbert
Deputy Assistant Attorney General

/s/ Joseph A. Sergi
Joseph A. Sergi
Senior Litigation Counsel
Lead Counsel

/s/ Jeremy A. Rill
Jeremy A. Rill
Trial Attorney
U.S. Department of Justice
Tax Division
P.O. Box 14198
Washington, D.C. 20044
202-305-2868 (Sergi)
202-307-0513 (Rill)
Fax: 202-514-4963
Joseph.A.Sergi@usdoj.gov
Jeremy.A.Rill@usdoj.gov

Of Counsel:
Peter D. Leary
United States Attorney
Middle District of Georgia

Counsel for the United States

Date: December 5, 2024